from 1st January, 1986 to 31st December, 1987;

(c) what was the number of cases detected during the above period and the number of persons involved in each case; and

(d) what action has so far been taken against the persons apprehended in this connection?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) to (d) The Government is fully committed to combat tax evasion and the drive against tax evaders is a continuous process. The details of the results achieved for the period 1-1-1986 to 31-12-1987 are as under:—

| Year | No. of searches conducted | Value of prima-facie unaccounted assets seized (Rs. in crores). | No. of premises surveyed | No. of new assessees discovered |
|---|---|---|---|---|
| 1-1-1986 to 31-12-1986 . . . | 6,764 | 90 96 | 1,46,535 | 3,31,439 |
| 1-1-1987 to 31-12-1987 . . . | 8,123 | 116.11 | 4,48,672 | 7,18,406 |

Appropriate action by way of penalties and prosecution is taken against the persons found to be evading taxes.

**Financial Assistance to Sick Textile Mills in Madhya Pradesh**

*192. SHRI SURENDRA SINGH THAKUR: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that most of the textile mills in Madhya Pradesh are sick;

(b) if so, what is the policy of Government towards such sick textile mills;

(c) what steps have been taken to improve the conditions of sick textile mills in Madhya Pradesh; and

(d) what are the details of financial assistance provided during 1986-87 to the major textile mills to improve their conditions?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) As on 31-3-87, there were 30 textile mills in Madhya Pradesh. Of these four textile mills were sick/closed.

(b) and (c) Government had set up a Nodal Agency to examine sick textile mills in order to ascertain whether they are potentially viable or not. The Nodal Agency evolves and manages rehabilitation packages for textile mills found by it to be viable. In addition, a Board for industrial and Financial Reconstruction has also been set up to consider the cases of sick textile companies also. A Textile Modernisation Fund has also been created to meet the modernisation needs of textile mills. Non-viable mills may have to close down permanently.

(d) The Union Government do not maintain details of financial assistance provided to individual private sector textile mills.

**Non-Plan Expenditure**

*193. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Chairman of the 9th Finance Commission has recently stated that the country is in for serious financial crisis because of the excessive expenditure in the non-Plan sector; and

(b) if so, what steps Government have taken to reduce the expenditure on the non-Plan sector and to improve the country's economy?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B. K. GADHVI): (a) This Ministry is informed that the Chairman, Ninth Finance Commission had referred to the growing revenue expenditure of Central and State Governments and not to non-Plan expenditure in particular.

(b) It is always the endeavour of the Government to keep non-developmental expenditure to the minimum necessary and take all possible steps to improve the country's economy.

**Financial Activities of Investment and Leasing Companies**

*194. SHRI ASHOK NATH VERMA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of investment and leasing companies violating all the legal provisions and of investing their money in other speculative business instead of in Government securities;

(b) whether it is a fact that financial activities of Peerless General Finance and Investment Company have recently been investigated; and

(c) if so what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c) In terms of the Non-Banking Financial Companies (Reserve Bank) Directions, 1977, as amended from time to time, issued by the Reserve Bank of India, an "Investment Company" means any company which is a financial institution carrying on as its principal business, the acquisition of securities. An "Equipment Leasing Company" is defined as a company which is a financial institution carrying on as its principal business, the activities of leasing of equipment or the financing of such activity. Reserve Bank of India (RBI) has reported that, while the acceptance of deposits by the Investment and Equipment Leasing Companies is regulated by the RBI in term of the provisions of these directions, only the "Equipment Leasing Companies" are required to keep a minimum of 10 per cent of their deposits either in an account with a scheduled bank or in approved securities. In so far as the Investment Companies such as Peerless General Finance and Investment Company Ltd. etc., conducting benefit|savings schemes are concerned, such companies are classified by RBI as "Residuary Non-Banking Companies". In terms of the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987, issued by the RBI in May, 1987, a residuary non-banking company is required to invest (i) in fixed deposits with public sector banks (ii) in approved securities and (iii) in other safe investments in the ratio of 10:70:20.

2. RBI has further reported that it had conducted last year a quick inspection of some of the residuary non-banking companies which revealed *inter-alia*, that several companies had not taken steps to provide their investments in the manner prescribed in directions. RBI is taking action as appropriate for compliance of the directions by these companies.

3. RBI has not so far conducted any detailed inspection of the Peerless General Finance and Investment Company Ltd., Calcutta consequent to the issue of Residuary Non-Banking (Reserve Bank) Directions, 1987.

**Sale of Goods purchased from India by Bofors to other countries**

*195. SHRI LAL K. ADVANI:
SHRI ASHWANI KUMAR:

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that under the Memorandum of Understanding, Bofors is entitled to sell the goods purchased by it from India to offer parties/countries;